Companies in Andhra Pradesh vanishing with investors money

† 331. SHRI NANDI YELLAIAH: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) the details of the companies in Andhra Pradesh that vanished with the money of common investors during the last three years;

(b) the number of companies whose promoters/directors were prosecuted against and the number of those punished during the said period;

(c) the number of legal professionals engaged in Andhra Pradesh to fight the cases against such companies;

(d) the procedure of drawing panel of such legal professionals;

(e) whether Government propose to appoint more legal professionals in Andhra Pradesh to dispose off such cases expeditiously; and

(0 if so, the details in this regard?

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) No company has been identified as vanished from the State of Andhra Pradesh during the last three years as per the criteria adopted for the same jointly by Ministry of Company Affairs and Securities Exchange Board of India.

(b) Out of the companies which came out with Initial Public Offers (IPOs) during 1992-98,16 companies have been identified as vanished with public money of common investors in the State of Andhra Pradesh. Prosecutions have been filed against 15 such companies and their promoters/directors under sections 62/63,68 & 628 of the Companies Act, 1956 and against 9 companies for non-filing of statutory returns. Cases are pending in the Courts at various stages. Similarly, First Information Reports (FIRs) have also been registered against promoters/directors of 15 such companies under the Indian Penal Code (IPC) and investigations are under progress by State Police Authorities.

(c) to (f) Prosecution against such companies is pursued by the Officials of the Ministry appointed as Company Prosecutors. Assistance of Senior Government Counsels as approved by the Ministry of Law is taken as and when required.

† Original notice of the question was received in Hindi.